



OFFICE OF
INSURANCE COMMISSIONER

7625 37/22/36

91-123-01

In the Matter of)

No. D06-239

 REGENCE BLUECROSS)
 BLUESHIELD OF OREGON,)

 CONSENT ORDER
 IMPOSING A FINE

 A Registered Health Care Services)
 Contractor)

Findings of Fact:

1. Regence BlueCross BlueShield of Oregon ("Regence BCBS") is authorized to conduct insurance business in Washington State. It is registered as a health care services contractor under RCW 48.44.
2. Revised Code of Washington § 48.44.095 requires every health care service contractor to file an annual statement for the previous calendar year with the Office of the Insurance Commissioner ("OIC") by February 28 of the following year. It also requires that an actuarial certification be filed along with the annual statement.
3. The April Supplemental filings are a required annual statement supplement per the *National Association of Insurance Commissioners' Quarterly and Annual Statement Filing Instructions*. The Washington Office of the Insurance Commissioner ("OIC") also posts Annual Statement Filing Instructions on its website that indicate that the April Supplemental filings are due by April 1 of the following calendar year. WAC 284-07-050 requires adherence to these filing instructions.
4. Regence BCBS failed to file an actuarial certification with the OIC for calendar year 2004. Regence BCBS filed its 2004 April Supplemental filings on May 9, 2005.

Conclusions of Law:

1. Regence BCBS's failure to timely file its calendar year 2004 Actuarial Certification and April Supplemental filings constitutes one violation of RCW 48.44.095 and one violation of WAC 284-07-050.

2. RCW 48.44.166 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of a health care services contractor's certificate of registration.

Consent to Order:

Regence BCBS consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of Regence BCBS' payment of a fine as set forth below.

1. Regence BCBS consents to the entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. It waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner, related to the subject matter of this Order.

2. Within thirty days of the entry of this Order, Regence BCBS will pay to the Insurance Commissioner a fine in the amount of \$1,125 (one thousand one hundred twenty five dollars).

3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by Regence BCBS in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 12 day of SEPTEMBER, 2006.

REGENCE BLUECROSS BLUESHIELD OF OREGON

By: Jan Mallea

Printed Name: Jan Mallea
Printed Corporate Title: VP and Controller

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

Order:

1. Regence Bluecross Blueshield of Oregon is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$1,125 (one thousand one hundred twenty five dollars).

2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of registration held by Regence Bluecross Blueshield of Oregon in Washington State.

It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 26th day of September, 2006

MIKE KREIDLER
Insurance Commissioner

By: Marcia G. Stickler
Marcia G. Stickler
Legal Affairs Division